



Consumer Services Department

Tel: (305) 375-1250



Fax: (305) 375-4120



DIRECTOR'S OFFICE
140 WEST FLAGLER STREET
SUITE 903
MIAMI, FLORIDA 33130-1561

E -mail: consumer@miamidade.gov

CSD *News Release*

Tuesday November 12, 2002

HOLIDAY LAYAWAY PLANS CAN HELP AVOID DEBT BUT BE SURE TO GET THE DETAILS IN WRITING

For cash-strapped consumers, 'Layaway Plans' offer a way of purchasing goods without incurring credit card interest payments. However, "the wide and easy availability of credit has resulted in a decline in layaway plans," notes Miami-Dade County Consumer Advocate, Leonard Elias.

Despite the proliferation of credit cards several stores still offer layaway plans, which allow the consumer to place a deposit on a commodity and pay for it in installments, taking possession of the item when the full purchase price has been paid.

"There is value in the layaway concept," says Elias. He points out that "unlike credit cards, it requires no interest payments and it makes it easier for consumers to avoid after holiday debt."

The Miami-Dade County Consumer Services Department (CSD) advises consumers opting for this method of shopping to ensure that the details of the layaway plan are spelled out in writing. Complaints to the CSD Consumer Hotline show that disputes sometimes arise in these arrangements usually as a result of the store and the prospective purchaser not having the same understanding about the details of the plan.

Some problems which arise:

1. The consumer completes the payments, but the store fails to deliver the item, or wants to substitute a product that is not acceptable to the purchaser.
2. The seller demands a price higher than the one agreed to when the layaway arrangement was made.
3. The consumer finds a store that has the same item at a lower price and wants to cancel the layaway deal.
4. There is disagreement as to how much time the consumer was given to complete payments

To avoid these problems the CSD advises consumers to make sure that layaway agreements identify the item being purchased, the cash price, the down payment, and the period of time during which the offer will be held open for the buyer.

The agreement should spell out the terms and conditions of the store's refund policy in a situation where the purchaser decides to cancel the deal. It should say whether all or part of the deposit will be returned and whether the merchant will charge what some stores call "re-stocking fees."

CSD offers consumers entering into layaway plans, the following tips:

- As you make payments, ensure that you get a receipt indicating the amount paid.
- The final payment should satisfy the price originally agreed upon, and no more.
- You are entitled to the specific merchandise that is placed on hold, or an exact duplicate.

For additional assistance call the Miami-Dade County Consumer Hotline at 305 375-3677.

MEDIA CONTACT INFORMATION:

Patrick Smikle, Public Information Officer; (305) 375-5745;

Email: smiklep@miamidade.gov

Leonard Elias, Consumer Advocate; (305) 375-4199; Email: le28@miamidade.gov

Mario Goderich; Divisional Director, Consumer Protection; (305) 375-4193,

Email: mg3836@miamidade.gov

Cathy Grimes Peel, CSD Deputy Director, (305) 375-4666; Email: cpeel@miamidade.gov

The Miami Dade Consumer Services Department is an agency of Miami-Dade County government that protects consumers through complaint mediation, business regulation, and consumer education. The Department operates the Consumer Hotline (305) 375-3677, a central telephone number for consumer complaints and information.